

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

THE ROMAN CATHOLIC DIOCESE OF
ROCKVILLE CENTRE, NEW YORK,

Debtor.

Chapter 11

Case No. 20-12345 (MG)

**DECLARATION OF KAREN B. DINE IN SUPPORT OF OBJECTION
TO DEBTOR'S APPLICATION FOR AN ORDER APPROVING AMENDMENT TO
THE TERMS AND CONDITIONS OF THE DEBTOR'S RETENTION OF JEFFERIES
LLC AS INVESTMENT BANKER NUNC PRO TUNC TO DECEMBER 1, 2022**

Pursuant to 28 U.S.C. sec. 1746, I, Karen B. Dine, hereby submit this declaration
(the "**Declaration**") under penalty of perjury:

1. I am of counsel at the law firm of Pachulski Stang Ziehl & Jones LLP ("**PSZJ**")
with an office at 780 Third Avenue, 36th Floor, New York, NY 10017. I am duly admitted to
practice law in the United States District Courts for the Southern and Eastern Districts of New
York.

2. Unless otherwise stated in this Declaration, I have personal knowledge of the
facts set forth herein. If called as a witness, I would testify as to those facts.

3. The Court has approved PSZJ's employment as counsel to the Official Committee
of Unsecured Creditors (the "**Committee**") in The Roman Catholic Diocese of Rockville Centre,
New York (the "**Diocese**" or the "**Debtor**") in the above-captioned case (the "**Case**") [Docket
No. 163].

4. I submit this Declaration in support of the *Objection to Debtor's Application for
an Order Approving Amendment to the Terms and Conditions of the Debtor's Retention of*

Jefferies LLC as Investment Banker Nunc Pro Tunc to December 1, 2022 [Docket No. 1537]

(the “**Objection**”), to which this Declaration is appended.

5. On November 21, 2022, I had a conversation with Nicholas Morin of Jones Day who indicated that the Diocese anticipated seeking to amend the Jefferies retention to provide for Jefferies to seek third party debtor-in-possession financing (the “DIP Financing”).

6. Attached as **Exhibit A** is a copy of the letter dated December 27, 2022 from James Stang to Corrine Ball requesting certain information relating to any DIP Financing to be sought by the Diocese.

7. Attached as **Exhibit B** is a copy of the email from Nicholas Morin of Jones Day to the Committee’s counsel dated December 30, 2022.

Pursuant to 28 U.S.C. sec. 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of knowledge and belief. I executed this Declaration on January 6, 2023 at New York, New York.

By: /s/ Karen B. Dine
Karen B. Dine

EXHIBIT A



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LIMITED LIABILITY PARTNERSHIP

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NOT SUBJECT TO MEDIATION PRIVILEGE

James I. Stang

December 27, 2022

310.772.2354
jstang@pszjlaw.com

Via E-mail (cball@jonesday.com)

Corinne Ball, Esq.
Jones Day
250 Vesey Street
New York, NY 10281

**Re: In re. The Roman Catholic Diocese of Rockville
Centre, New York Case No. 20-12345**

Dear Corinne:

We understand that the Diocese intends to seek third party debtor-in-possession financing (the “DIP”) because the Diocese anticipates a liquidity shortfall before the Diocese will receive the sale proceeds from the anticipated sale of the FCC Licenses.

The Committee is concerned about the additional fees and expenses of a third-party DIP, including fees to be paid to Jefferies and the third party lender. While the Diocese’s immediately available cash may dwindle, the Committee submits that the Diocese has access to several sources of liquidity, including a loan from an affiliate. To the extent that a significant drain on liquidity is the current payment of professional fees, the Committee suggests considering an interim suspension of the payment of certain professional fees pending the receipt of the sale proceeds from the FCC Licenses.

The Committee requests the following initial information to enable it to assess the Diocese’s anticipated request for a DIP and to amend Jefferies’ retention to seek a third-party DIP.

- Total principal amount and interest rate of the anticipated DIP.



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December 27, 2022
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- Any budgets, forecasts, models, or analyses prepared to date (in native format including Excel, PowerPoint, Word, etc.) that have been or are anticipated to be provided to Jefferies and/or prospective DIP lenders for the solicitation of the DIP (including all underlying supporting schedules/data, documentation, and assumptions utilized).
- Debtor's complete detailed analysis/forecast (in Excel format) of projected cash requirements and operating results used to calculate Debtor's anticipated DIP needs through the completion of the EBS license sale and the repayment of the anticipated DIP including all underlying supporting schedules/data, documentation, and assumptions utilized.
- Any instruction or guidance provided to Jefferies relating to the solicitation of DIP.
- All analyses and documentation provided to Jefferies relating to the anticipated DIP.
- Any RFPs or solicitation packages (draft or finalized) prepared by the Debtor, Jefferies, or its agents relating to the solicitation or acquisition of DIP.
- Any due diligence materials compiled and prepared by the Debtor or Jefferies for DIP lender solicitation and underwriting.
- Schedule of prospective DIP lenders the Debtor and Jefferies anticipate soliciting DIP from including any internal or related party sources.
- Any written communications between the Debtor, Jefferies, and any prospective DIP lender including any related parties.
- Any term sheets or DIP agreements prepared relating to the anticipated DIP.
- Identification of all proposed collateral to be pledged relating to the anticipated DIP including copies of any



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anticipated guarantees and draft or finalized secured financing documentation evidencing the collateralization of the assets (i.e. UCC filings, deeds of trust, etc.).

- Any board or committee minutes discussing or authorizing DIP, including all board/committee meeting packages/documentation provided to members for review.
- The November 2022 monthly operating report.
- The November 2022 balance sheet and trial balance for:
 - Administrative Office
 - PSIP
 - Ecclesia Assurance Company
 - Lay Pension Plan
 - Priest Pension Plan
 - Mission Assistance Corporation
 - Unitas
 - Department of Education (Including High Schools)
 - CemCo

We are available to discuss this matter at your convenience.

Very truly yours,

A handwritten signature in blue ink, which appears to read "James Stang", is written over a faint, larger version of the same signature.

cc (via email):

Todd Geremia
Benjamin Rosenblum
Andrew M. Butler
Nicholas Morin
Karen B. Dine
Brittany M. Michael

EXHIBIT B

Karen B. Dine

From: Morin, Nicholas J. <nmorin@jonesday.com>
Sent: Friday, December 30, 2022 4:21 PM
To: Karen B. Dine; Ball, Corinne
Cc: James Stang; Geremia, Todd R.; Rosenblum, Benjamin; Butler, Andrew M.; Stephens, Eric P.; Brittany M. Michael
Subject: RE: Letter from J. Stang
Attachments: Docket 1537.pdf

Pachulski team – we wanted to send you the attached application to amend the Jefferies retention, which we flagged for your team a little while back, and which we filed earlier today.

In addition, we are in receipt of your letter dated December 27, 2022 requesting certain information. We are in the process of gathering materials and preparing a response. All rights reserved.

Thanks and happy holidays,
Nick

Nicholas J. Morin
Associate
[JONES DAY® - One Firm WorldwideSM](#)
250 Vesey Street
New York, NY 10281-1047
Office +1.212.326.3443
Cell +1.301.801.6883

From: Karen B. Dine <kdine@pszjlaw.com>
Sent: Tuesday, December 27, 2022 9:57 AM
To: Ball, Corinne <cball@JonesDay.com>
Cc: James Stang <jstang@pszjlaw.com>; Geremia, Todd R. <trgeremia@JonesDay.com>; Rosenblum, Benjamin <brosenblum@JonesDay.com>; Butler, Andrew M. <abutler@jonesday.com>; Morin, Nicholas J. <nmorin@jonesday.com>; Stephens, Eric P. <epstephens@jonesday.com>; Brittany M. Michael <bmichael@pszjlaw.com>
Subject: Letter from J. Stang

**** External mail ****

Please see the attached correspondence. Regards, Karen

Karen B. Dine
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